

Public Law 540

CHAPTER 327

May 28, 1956
[H.R. 10875]

AN ACT

To enact the Agricultural Act of 1956.

Agricultural Act
of 1956.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1956".

TITLE I—SOIL BANK ACT

SHORT TITLE

Soil Bank Act.

SEC. 101. This title may be cited as the "Soil Bank Act".

DECLARATION OF POLICY

SEC. 102. The Congress hereby finds that the production of excessive supplies of agricultural commodities depresses the prices and income of farm families; constitutes improper land use and brings about soil erosion, depletion of soil fertility, and too rapid release of water from lands where it falls, thereby adversely affecting the national welfare, impairing the productive facilities necessary for a continuous and stable supply of agricultural commodities, and endangering an adequate supply of water for agricultural and nonagricultural use; overtaxes the facilities of interstate and foreign transportation; congests terminal markets and handling and processing centers in the flow of commodities from producers to consumers; depresses prices in interstate and foreign commerce; disrupts the orderly marketing of commodities in such commerce; and otherwise affects, burdens, and obstructs interstate and foreign commerce. It is in the interest of the general welfare that the soil and water resources of the Nation be not wasted and depleted in the production of such burdensome surpluses and that interstate and foreign commerce in agricultural commodities be protected from excessive supplies. It is hereby declared to be the policy of the Congress and the purposes of this title to protect and increase farm income, to protect the national soil, water, and forest and wildlife resources from waste and depletion, to protect interstate and foreign commerce from the burdens and obstructions which result from the utilization of farmland for the production of excessive supplies of agricultural commodities, and to provide for the conservation of such resources and an adequate, balanced, and orderly flow of such agricultural commodities in interstate and foreign commerce. To effectuate the policy of Congress and the purposes of this title programs are herein authorized to assist farmers to divert a portion of their cropland from the production of excessive supplies of agricultural commodities, and to carry out a program of soil, water, forest and wildlife conservation. The activities authorized under this title are supplementary to the acreage allotments and marketing quotas authorized under the Agricultural Adjustment Act of 1938, as amended, and together with such acreage allotments and marketing quotas, constitute an over-all program to prevent excessive supplies of agricultural commodities from burdening and obstructing interstate and foreign commerce.

52 Stat. 31.
7 USC 1281.

SUBTITLE A—ACREAGE RESERVE PROGRAM

TERMS AND CONDITIONS

SEC. 103. (a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized and directed to formulate and carry out an acreage reserve program for the 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn produced in the commercial corn-producing area, peanuts, rice, flue-cured tobacco, burley tobacco, Maryland tobacco, dark air-cured tobacco, fire-cured tobacco, Virginia sun-cured tobacco, cigar binder tobacco types 51, 52, 54, and 55, Ohio cigar filler tobacco types 42, 43, and 44, respectively (hereinafter referred to as "the commodity"), under which producers shall be compensated for reducing their acreages of the commodity below their farm acreage allotments or their farm base acreages, whichever may be applicable. To be eligible for such compensation the producer (1) shall reduce his acreage of the commodity below his farm acreage allotment or farm base acreage, whichever may be applicable, within such limits as the Secretary may prescribe, (2) shall specifically designate the acreage so withdrawn from the production of such commodity (hereinafter referred to as the "reserve acreage"), and (3) shall not harvest any crop from, or graze, the reserve acreage unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing. Reserve acreage of a commodity may include acreage whether or not planted to the production of the 1956 crop of the commodity prior to the announcement of the acreage reserve program for the 1956 crop if the crop thereon, if any, shall be plowed under or otherwise physically incorporated into the soil, or clipped, mowed, or cut to prevent maturing so that the reduction in acreage of the commodity below the acreage allotment occurs not later than 21 days after the enactment of this title, or by such later date as may be fixed by the Secretary. The reserve acreage shall be in addition to any acreage devoted to the conservation reserve program authorized under subtitle B of this title. The acreage reserve program may include such terms and conditions, in addition to those specifically provided for herein, including provisions relating to control of noxious weeds on the reserve acreage, as the Secretary determines are desirable to effectuate the purposes of this title and to facilitate the practical administration of the acreage reserve program.

Before any producer is entitled to receive any compensation for participating in the acreage reserve program, he must first enter into a contract with the Secretary, which contract, in addition to such other terms and conditions as may be prescribed by the Secretary, shall contain provisions by which such producer shall agree:

(i) In the event that the Secretary determines that there has been a violation of the contract at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, to forfeit all rights to payments or grants under the contract, and to refund to the United States all payments and grants received by him thereunder: *Provided, however,* That the provisions of Section 107 (d) shall apply to the termination of any contract hereunder.

(ii) In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, to accept such payment ad-

Contract.

Post, p. 193.

justments, forfeit such benefits, and make such refunds to the United States of payments and benefits received by him, under the contract, as the Secretary may determine to be appropriate.

Corn.

52 Stat. 51.
7 USC 1327.

(b) (1) There is hereby established for 1956 and for each year for which an acreage reserve program is in effect for corn a total base acreage of corn for the commercial corn-producing area proclaimed under section 327 of the Agricultural Adjustment Act of 1938, as amended, of fifty-one million acres. The total base acreage of corn for the commercial corn-producing area shall be apportioned by the Secretary among the counties in such area on the basis of the acreage of corn in such counties during the five calendar years immediately preceding the calendar year in which the apportionment is made (plus, in applicable years, the acreage diverted under previous agricultural adjustment, conservation, and soil bank programs), with adjustments for abnormal weather conditions, for trends in acreage during such period and for the promotion of soil-conservation practices: *Provided*, That any downward adjustment for the promotion of soil-conservation practices shall not exceed 2 per centum of the total base acreage that would otherwise be apportioned to the county. The base acreage for the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of corn (planted and diverted), tillable acreage crop-rotation practices, types of soil, and topography.

Post, p. 206.

(2) This subsection (b) shall become inoperative after 1956 if in the referendum conducted pursuant to section 308 (b), producers do not vote in favor of the program provided in subsection (c) of such section.

EXTENT OF PARTICIPATION IN PROGRAM

SEC. 104. For purposes of the acreage reserve program the Secretary shall establish a national reserve acreage goal for the 1956, 1957, 1958, and 1959 crops of each commodity specified in section 103 (a). The limits within which individual farms may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program, taking into consideration their acreage allotments or farm base acreages, whichever may be applicable, the supply and demand conditions for different classes, grades, and qualities of the commodity, and such other factors as he deems appropriate.

COMPENSATION OF PRODUCERS

Negotiable certificates.

SEC. 105. (a) Producers shall be compensated for participating in the acreage reserve program through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem in accordance with regulations prescribed by the Secretary (1) in cash upon presentation by the producer or by any holder in due course or (2) at the option of the producer in the case of certificates issued with respect to grains and upon presentation by him, in grains (such grains to be valued by the Secretary at such levels as he determines will not materially impair the market price for such grain yet will, to the maximum extent practicable encourage acceptance of payment in grains in lieu of cash): *Provided*, That disposition of quantities of stocks hereunder in any one year shall be limited to not more than two-thirds of such quantities of such commodities as the Secretary determines would be a reasonable estimate of what would have been produced for marketing during such marketing year on the acreage

withheld from production under the provisions of this title: *And provided further*, That such stocks shall not be released prior to the end of the normal harvesting season for the particular commodity being released. Compensation under this section shall be at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for reducing their acreage of the commodity, taking into consideration the loss of production of the commodity on the reserve acreage, any savings in cost which result from not planting the commodity on the reserve acreage, and the incentive necessary to achieve the reserve acreage goal. The Secretary shall make an adjustment in yields for drought, flood, or other abnormal conditions in estimating the loss of production for purposes of establishing rates of compensation. The rates of payment offered under this section shall be such as to encourage producers to underplant their allotments more than one year. Commodities delivered to producers in redemption of such certificates shall not be eligible for tender to Commodity Credit Corporation under the price support program.

(b) Compensation shall be paid to any producer for participating in the acreage reserve program for any year including 1956 when the Secretary has ascertained that such producer has complied with the acreage reduction requirements of such program for such year.

(c) The total compensation paid producers for participating in the acreage reserve program with respect to any year's crops shall not exceed \$750,000,000, and with respect to any commodity for any year shall not exceed the amount shown below: Wheat, \$375,000,000; cotton, \$300,000,000; corn in the commercial corn-producing area, \$300,000,000; peanuts, \$7,000,000; rice, \$23,000,000; and tobacco, \$45,000,000. The total amount available for the acreage reserve program for any year's crops shall be apportioned among the various commodities on the basis of the amounts required to achieve the reserve acreage goal for each commodity established under section 104.

EFFECT ON ACREAGE ALLOTMENTS AND QUOTAS

SEC. 106. (a) In the future establishment of State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended, or base acreages under this title, reserve acreages applicable to any commodity shall be credited to the State, county, and farm as though such acreage had actually been devoted to the production of the commodity.

(b) In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and sections 326 (b) and 356 (g) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1326 (b), 1356 (g)), relating to reduction of the storage amounts of wheat and rice, the reserve acreage of the commodity on any farm shall be regarded as wheat acreage or rice acreage, as the case may be, on the farm.

52 Stat. 31.
7 USC 1281.

55 Stat. 204.

52 Stat. 51.
63 Stat. 1060.

SUBTITLE B—CONSERVATION RESERVE PROGRAM

TERMS AND CONDITIONS

SEC. 107. (a) To effectuate the purposes of this title the Secretary is hereby authorized to enter into contracts for periods of not less than three years with producers determined by him to have control for the contract period of the farms covered by the contract wherein the producer shall agree:

(1) To establish and maintain for the contract period protective vegetative cover (including but not limited to grass and trees), water

Producers' contracts.

storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage).

(2) To devote to conserving crops or uses, or allow to remain idle, throughout the contract period an acreage of the remaining land on the farm which is not less than the acreage normally devoted only to conserving crops or uses or normally allowed to remain idle on such remaining acreage.

(3) Not to harvest any crop from the acreage established in protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals.

Ante, p. 189.

(4) Not to graze any acreage established in protective vegetative cover prior to January 1, 1959, or such later date as may be provided in the contract, except pursuant to the provisions of section 103 (a) (3) hereof; and if such acreage is grazed at the end of such period, to graze such acreage during the remainder of the period covered by the contract in accordance with sound pasture management.

(5) Not to adopt any practice, or divert lands on the farm from conservation, woods, grazing, or other use, to any use specified by the Secretary in the contract as a practice or use which would tend to defeat the purposes of the contract.

(6) (A) In the event that the Secretary determines that there has been a violation of the contract (including the prohibition of grazing on conservation acreages) at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, to forfeit all rights to payments or grants under the contract, and to refund to the United States all payments and grants received by him thereunder.

(B) In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, to accept such payment adjustments, forfeit such benefits, and make such refunds to the United States of payments and benefits received by him, under the contract, as the Secretary may determine to be appropriate.

(7) To such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this title and to facilitate the practical administration of the conservation reserve program, including provisions relating to control of noxious weeds.

Agreement by
Secretary.

(b) In return for such agreement by the producer the Secretary shall agree:

(1) To bear such part of the cost (including labor) of establishing and maintaining vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area in which the farm is situated; and

(2) To make an annual payment to the producer for the term of the contract upon determination that he has fulfilled the provisions of the contract entitling him to such payment. The rate or rates of the annual payment to be provided for in the contracts shall be established on such basis as the Secretary determines will provide producers with a fair and reasonable annual return on the land established in protective vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, taking into consideration

the value of the land for the production of commodities customarily grown on such kind of land in the county or area, the prevailing rates for cash rentals for similar land in the county or area, the incentive necessary to obtain contracts covering sufficient acreage for the substantial accomplishment of the purposes of the conservation reserve program, and such other factors as he deems appropriate. Such rate or rates may be determined on an individual farm basis, a county or area basis, or such other basis as the Secretary determines will facilitate the practical administration of the program.

(c) In determining the lands in any area to be covered by contracts entered into under this section, the Secretary may use advertising and bid procedure if he determines that such action will contribute to the effective and equitable administration of the conservation reserve program.

Advertising and
bids.

(d) A contract shall not be terminated under paragraph (6) of subsection (a) unless the nature of the violation is such as to defeat or substantially impair the purposes of the contract. Whenever the State committee believes that there has been a violation which would warrant termination of a contract, the producer shall be given written notice thereof by registered mail or personal service, and the producer shall, if he requests such an opportunity within thirty days after the delivery or service of such notice, be given an opportunity to show cause, in an informal proceeding before the county committee under regulations promulgated by the Secretary, why the contract should not be terminated. If the producer does not request an opportunity to show cause why the contract should not be terminated within such thirty-day period, the determination of the State committee made in accordance with regulations of the Secretary shall be final and conclusive. If the producer within such thirty-day period requests an opportunity to show cause why the contract should not be terminated, the county committee, at the conclusion of the proceeding, shall submit a report, including its recommendations, to the State committee for a determination, on the basis of such report and such other information as is available to the State committee, as to whether there has been a violation which would warrant termination of the contract. The producer shall be accorded the right, in accordance with regulations promulgated by the Secretary, to appear before the State committee in connection with the State committee's determination of the issue. The producer shall be given written notice by registered mail or personal service of the State committee's determination. If the producer feels aggrieved by such determination, he may obtain judicial review of such determination by filing a complaint with the United States district court for the district in which the land covered by the contract is located, within ninety days after the delivery or service of notice of such determination, requesting the court to set aside such determination. Service of process in such action shall be made in accordance with the rule for service of process upon the United States prescribed by the Rules of Civil Procedure for the United States District Courts. The copy of the summons and complaint required to be delivered to the officer or agency whose order is being attacked shall be sent to the chairman of the State committee. The action in the United States district court shall be a trial de novo to determine whether there has been a violation which would warrant termination of the contract. If the producer does not seek judicial review of the State committee's determination within the ninety-day period allowed therefor, the State committee's determination shall be final and conclusive. The terms "county committee" and "State committee" as used herein refer to the county and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

Termination of
contracts because
of violations.

49 Stat. 1149.
16 USC 590h.

CONSERVATION RESERVE GOAL

SEC. 108. (a) The Secretary shall not later than February 1 of each year determine and announce the national conservation reserve goal for such year. Such goal shall be that percentage which the Secretary determines it is practicable to cover by contracts during such year of the number of acres, if any, by which (1) the acreage used for the production of agricultural commodities during the year preceding the year for which such determination is made, plus any acreage then in the acreage or conservation reserve program or retired from production as a result of acreage allotments or marketing quotas, exceeds (2) the acreage needed during the year for which such determination is made for the production of agricultural commodities for domestic consumption and export and an adequate allowance for carryover. As soon as practicable after the enactment of this title the Secretary shall determine the national conservation acreage goal for 1956.

(b) In distributing the national acreage goal among the various States and major crop production regions, the Secretary shall give due regard to the respective needs of the various States and regions for flood control, drought control, and other conservation benefits; the desires of producers in particular States or regions to participate in the conservation program; the diversion of acreage from crops under acreage allotments or marketing quotas; and the need to assure adequate production of agricultural commodities and products not in surplus and to discourage the production of agricultural commodities and products in surplus.

Report to Congress.

(c) The Secretary shall transmit to the Congress on or before March 15 of each year a report of the scope of the conservation reserve program for the preceding year and the basis for participation in such program in the various States and major crop production regions of the country.

AUTHORIZED PERIOD OF CONTRACTS AND EXPENDITURES

SEC. 109. (a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the five-year period 1956–1960 to be carried out during the period ending not later than December 31, 1969, except that contracts for the establishment of tree cover may continue until December 31, 1974.

(b) The period covered by any contract shall not exceed ten years, except that contracts for the establishment of tree cover may extend for 15 years.

(c) In carrying out the conservation reserve program, the Secretary shall not enter into contracts with producers which would require payments to producers, including the cost of materials and services, in excess of \$450,000,000 in any calendar year.

TERMINATION AND MODIFICATION OF CONTRACTS

SEC. 110. (a) The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.

(b) The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this title and to facilitate the practical administration of the conservation reserve program.

CONSERVATION MATERIALS AND SERVICES

SEC. 111. (a) The Secretary may purchase or produce conservation materials and services and make such materials and services available to producers under the conservation reserve program to aid them in establishing vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, under contracts authorized by this subtitle B, may reimburse any Federal, State, or local government agency for conservation materials and services furnished by such agency, and may pay expenses necessary in making such materials, and services available, including all or part of the costs incident to the delivery, application, or installation of materials and services.

(b) Notwithstanding any other provision of law, in making conservation materials and services available to producers hereunder, the Secretary may make payments, in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or who render services to the Secretary in furnishing to producers approved conservation materials or services for the establishment by the producers of vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, under contracts authorized by this subtitle B. The price at which purchase orders for any conservation material or service are filled may be limited, if the Secretary determines that it is necessary in the interest of producers and the Government, to a fair price fixed in accordance with regulations prescribed by the Secretary.

EFFECT ON OTHER PROGRAMS

SEC. 112. Notwithstanding any other provision of law—

(1) insofar as the acreage of cropland on any farm enters into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be deemed to be decreased during the period of any contract entered into under the conservation reserve program by reason of the establishment and maintenance of vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, under such contract; and

(2) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity in order to carry out the contract entered into under the conservation reserve program shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended, and base acreages under this Act.

52 Stat. 31.
7 USC 1281.

52 Stat. 31.
7 USC 1281.

GEOGRAPHICAL APPLICABILITY

SEC. 113. This subtitle B shall apply to the continental United States, and, if the Secretary determines it to be in the national interest, to one or more of the Territories of Alaska and Hawaii, the Commonwealth of Puerto Rico, and the Virgin Islands, and as used in this subtitle B, the term "State" includes Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

SUBTITLE C—GENERAL PROVISIONS

COMPLIANCE WITH ACREAGE ALLOTMENTS

Post, p. 208.

SEC. 114. No person shall be eligible for payments or compensation under this title with respect to any farm for any year in which (1) the acreage of any basic agricultural commodity other than wheat or corn on the farm exceeds the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or (2) the wheat acreage on the farm exceeds the larger of the farm wheat acreage allotment under such title or fifteen acres, or (3) the corn acreage on the farm, in the case of a farm in the commercial corn-producing area, exceeds the farm base acreage for corn or the farm acreage allotment, whichever is in effect. For the purpose of this section, a producer shall not be deemed to have exceeded his farm acreage allotment or farm base acreage, unless such producer knowingly exceeded such allotment or base acreage and, in the case of wheat, unless such producer knowingly exceeded the farm acreage allotment or fifteen acres, whichever is larger.

REAPPORTIONMENT PROHIBITED

SEC. 115. No acreage diverted from the production of any commodity subject to acreage allotments as a result of participation in the acreage reserve or conservation reserve programs shall be reapportioned or allotted to any other farm.

CERTIFICATE OF CLAIMANT

Ante, p. 191.

SEC. 116. Subject to the provisions of section 105 (b), payment or compensation authorized by this title may be made upon the certificate of the claimant, in such form as the Secretary may prescribe, that he has complied with all requirements for such payment and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief.

UTILIZATION OF LOCAL AND STATE COMMITTEES

*49 Stat. 1149.
16 USC 590h.*

SEC. 117. In administering this title in the continental United States, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

UTILIZATION OF OTHER AGENCIES

SEC. 118. With respect to conservation aspects of any program under this title, the Secretary shall consult with the soil-conservation districts, State foresters, State game and fish agencies, land-grant colleges, and other appropriate agencies of State governments, and with the Fish and Wildlife Service, in the formulation of program provisions at the State and county levels. The technical resources of the Soil Conservation Service, the Forest Service, the land-grant colleges, the State foresters, State game and fish agencies, the Fish and Wildlife Service, and other appropriate technical services shall be utilized, so far as practicable, to assure coordination of conservation activities and a solid technical foundation for the program.

UTILIZATION OF LAND USE CAPABILITY DATA

SEC. 119. In administering this title the Secretary shall utilize to the fullest practicable extent land use capability data, including capability

surveys as developed by the Soil Conservation Service, and shall carry forward to completion as rapidly as possible the basic land inventory of the Nation.

FINANCING

SEC. 120. (a) The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this title, including payment of costs of administration for the programs authorized under this title: *Provided*, That the Secretary shall, prior to February 1, 1957, or such earlier date as may be practicable, submit to the Congress a full program of all operations under this title which will require the making of expenditures during the fiscal year ending June 30, 1958; and, after June 30, 1957, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this title unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this title. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title, including such amounts as may be required to make payments to the Corporation for its actual costs incurred or to be incurred under this section.

Report to Congress.

Appropriations.

(b) All funds available for carrying out the purposes of this title shall be available for transfer to such agencies of the Federal or State governments as the Secretary may request to cooperate or assist in carrying out this title; and for technical assistance in formulating and carrying out the programs authorized by this title. The Secretary may make such payments in advance of determination of performance.

Transfer of funds, etc.

FINALITY OF DETERMINATIONS

SEC. 121. The facts constituting the basis for any payment or compensation, or the amount thereof, authorized to be made under this title, when officially determined in conformity with applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any producer who is entitled to any payment or compensation dies, becomes incompetent, or disappears before receiving such payment or compensation, or is succeeded by another who renders or completes the required performance, the payment or compensation shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.

PROTECTION OF TENANTS AND SHARECROPPERS

SEC. 122. In the formulation and administration of programs under this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments or compensation under this title, and including such provision as may be necessary to prevent them from being forced off the farm. Applications to participate in any such program shall specify the basis on which the landlord, tenants, and sharecroppers are to share in such payments or compensation, and no contract under any such program shall be entered into unless such basis is approved by the county committee and incorporated into the contract. The standards prescribed by the Secretary for the guidance of county committees in determining whether any such basis shall be approved shall include the requirement that consideration be given to the respective contributions which would have

been made by the landlord, tenants, and sharecroppers in the production of the crops which would have been produced on the acreage diverted from production under the contract and the basis on which they would have shared in such crops or the proceeds thereof.

PENALTY FOR GRAZING OR HARVESTING

Ante, pp. 189, 191.

SEC. 123. Any producer who knowingly and willfully grazes or harvests any crop from any acreage in violation of a contract entered into under section 103 or 107 shall be subject to a civil penalty equal to 50 per centum of the compensation payable for compliance with such contract for the year in which the violation occurs. Such penalty shall be in addition to any amounts required to be forfeited or refunded under the provisions of such contract, and shall be recoverable in a civil suit brought in the name of the United States.

REGULATIONS

SEC. 124. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

PRODUCTION ON GOVERNMENT LANDS PROHIBITED

SEC. 125. The President shall, with respect to farmlands now or hereafter owned by the Federal Government, restrict insofar as practicable the leasing of such lands for the production of price supported crops in surplus supply. Nothing contained in this section shall prevent the production of such crops on national wildlife refuges under cooperative permits where such production is necessary to maintain satisfactory wildlife populations, especially of waterfowl for beneficial use.

POOLING OF CONSERVATION RESERVE LAND

SEC. 126. Whenever management of family farms or optimum land use will be aided, the Secretary of Agriculture is authorized to permit farmers to pool their rights to participate jointly in the conservation reserve program on property other than their home farms.

TITLE II—SURPLUS DISPOSAL

PROGRAM OF ORDERLY LIQUIDATION

SEC. 201. (a) The Commodity Credit Corporation shall, as rapidly as possible consistent with its existing authority, the operation of the price support program, and orderly liquidation, dispose of all stocks of agricultural commodities held by it.

Report to Congress.

(b) The Secretary shall submit to Congress within ninety days after the enactment of this Act detailed programs, with recommendations for any additional legislation needed to carry out such programs, (1) for the disposition of surplus commodities as required by subsection (a) above; (2) for a food stamp plan or similar program for distribution through States (including the District of Columbia, the Territories, Puerto Rico and the Virgin Islands) and local units of Government of future surplus production to needy persons in the United States, its Territories, and possessions, so as to prevent the accumulation of commodities in the hands of the Commodity Credit Corporation; and (3) for strategic stockpiling of foodstuffs and other agricultural products (A) inside the United States and (B) outside the United States as authorized in section 415 of the Mutual Security

Act of 1954. The Secretary shall report annually on his operations under subsection (a) and such reports shall show—

- (1) the quantities of surplus commodities on hand;
- (2) the methods of disposition utilized and the quantities disposed of during the preceding twelve months;
- (3) the methods of disposition to be utilized and the estimated quantities that can be disposed of during the succeeding twelve months;
- (4) a detailed program for the expansion of markets for surplus agricultural commodities through marketing and utilization research and improvement of marketing facilities; and
- (5) recommendations for additional legislation necessary to accomplish the purposes of this section.

EXTRA-LONG STAPLE COTTON

SEC. 202. (a) Hereafter the quota for cotton having a staple length of one and one-eighth inches or more, established September 20, 1939, pursuant to section 22 of the Agricultural Adjustment Act of 1933, as amended, shall apply to the same grades and staple lengths included in the quota when such quota was initially established. Such quota shall provide for cotton having a staple length of one and eleven-sixteenths inches and longer, and shall establish dates for the quota year which will recognize and permit entry to conform to normal marketing practices and requirements for such cotton.

(b) Beginning not later than August 1, 1956, the Commodity Credit Corporation is directed to sell for export at competitive world prices its stocks of domestically produced extra long staple cotton on hand on the date of enactment of this Act. The amount offered and the price accepted by the Commodity Credit Corporation shall be such as to dispose of such quantity in an orderly manner and within a reasonable period of time.

EXPORT SALES PROGRAM FOR COTTON

SEC. 203. In furtherance of the current policy of the Commodity Credit Corporation of offering surplus agricultural commodities for sale for export at competitive world prices, the Commodity Credit Corporation is directed to use its existing powers and authorities immediately upon the enactment of this Act to encourage the export of cotton by offering to make cotton available at prices not in excess of the level of prices at which cottons of comparable qualities are being offered in substantial quantity by other exporting countries and, in any event, for the cotton marketing year beginning August 1, 1956, at prices not in excess of the minimum prices (plus carrying charges, beginning October 1, 1956, as established pursuant to Section 407 of the Agricultural Act of 1949) at which cottons of comparable qualities were sold under the export program announced by the United States Department of Agriculture on August 12, 1955. The Commodity Credit Corporation may accept bids in excess of the maximum prices specified herein but shall not reject bids at such maximum prices unless a higher bid is received for the same cotton. Cottons of qualities not comparable to those of cottons sold under the program announced on August 12, 1955, shall be offered at prices not in excess of the maximum prices prescribed hereunder for cottons of qualities comparable to those of cottons sold under such program, with appropriate adjustment for differences in quality. Such quantities of cotton shall be sold as will reestablish and maintain the fair historical share of the world market for United States cotton, said volume to be determined by the Secretary of Agriculture.

54 Stat. 2640.

49 Stat. 773.
7 USC 624.

63 Stat. 1055.
7 USC 1427.

AGREEMENTS LIMITING IMPORTS

SEC. 204. The President may, whenever he determines such action appropriate, negotiate with representatives of foreign governments in an effort to obtain agreements limiting the export from such countries and the importation into the United States of any agricultural commodity or product manufactured therefrom or textiles or textile products, and the President is authorized to issue regulations governing the entry or withdrawal from warehouse of any such commodity, product, textiles, or textile products to carry out any such agreement. Nothing herein shall affect the authority provided under section 22 of the Agricultural Adjustment Act (of 1933) as amended.

49 Stat. 773.
7 USC 624.

APPROPRIATION TO SUPPLEMENT SECTION 32 FUNDS

Appropriation.

SEC. 205. There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1957, the sum of \$500,000,000 to enable the Secretary of Agriculture to further carry out the provisions of section 32, Public Law 320, Seventy-fourth Congress, as amended (7 U. S. C. 612c), subject to all provisions of law relating to the expenditure of funds appropriated by such section, except that up to 50 per centum of such \$500,000,000 may be devoted during any fiscal year to any one agricultural commodity or the products thereof.

49 Stat. 774.

TRANSFER OF BARTERED MATERIALS TO SUPPLEMENTAL STOCKPILE

SEC. 206. (a) Strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U. S. C. 98-98h), or for other purposes shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U. S. C. 1704).

60 Stat. 596.

68 Stat. 456.

(b) Strategic materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse, free of duty.

Appropriation.

(c) In order to reimburse the Commodity Credit Corporation for materials transferred to the supplemental stockpile there are hereby authorized to be appropriated amounts equal to the value of any materials so transferred. The value of any such material for the purpose of this subsection, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such transfer, as determined by the Secretary of Agriculture.

SURPLUS DISPOSAL ADMINISTRATOR

SEC. 207. The Secretary of Agriculture is authorized to appoint an agricultural surplus disposal administrator, at a salary rate of not exceeding \$15,000 per annum, whose duties shall include such responsibility for activities of the Department, including those of the Commodity Credit Corporation, relating to the disposal of surplus agricultural commodities as the Secretary may direct.

PAYMENT OF OCEAN FREIGHT

SEC. 208. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(a) The first sentence of section 103 (a) is amended by striking out the word "and" following the words "handling costs," and by inserting immediately before the period the following: "and, (3) all Commodity Credit Corporation funds expended for ocean freight costs authorized under title II hereof for purposes of section 416 of the Agricultural Act of 1949, as amended".

68 Stat. 456.
7 USC 1703.

(b) Section 201 is amended by striking out "f. o. b. vessels in United States ports,".

Post, p. 203.

7 USC 1721.

(c) The first sentence of section 203 is amended to read as follows: "Not more than \$500,000,000 (including the Corporation's investment in such commodities) shall be expended for all such transfers and for other costs authorized by this title." Section 203 is further amended by adding at the end of the section the following: "Such transfers may include delivery f. o. b. vessels in United States ports and, upon a determination by the President that it is necessary to accomplish the purposes of this title or of section 416 of the Agricultural Act of 1949, as amended, ocean freight charges from United States ports to designated ports of entry abroad may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416. Funds required for ocean freight costs authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President."

7 USC 1723.

Post, p. 203.

COMMISSION TO RECOMMEND LEGISLATION PROVIDING FOR INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS

SEC. 209. (a) (1) There is hereby established a bipartisan Commission on Increased Industrial Use of Agricultural Products (hereafter referred to as "the Commission"). The Commission shall be composed of five members, of whom not more than three shall be members of the same political party, to be appointed by the President by and with the advice and consent of the Senate. In making such appointments the President shall give due consideration to the interests of various segments of agriculture. One of the members so appointed shall be designated as Chairman by the President.

(2) Members of the Commission shall be paid compensation at the rate of \$50 per day and shall be reimbursed for necessary traveling and other expenses incurred by them in the performance of their duties as members of the Commission.

(3) The Commission is authorized to appoint and fix the compensation, without regard to the civil-service laws and the Classification Act of 1949, as amended, of an executive director and such chemists, engineers, agriculturists, attorneys, and other assistants as it may deem necessary. The Secretary of Agriculture is authorized to provide the Commission with necessary office space, and may detail, on a reimbursable basis, any personnel of the Department of Agriculture to assist the Commission in carrying out its work.

63 Stat. 954.
5 USC 1071 note.

(4) Upon request of the Commission, any other department or agency of the Government having information or data needed by the Commission in carrying out its duties under this section, shall make such information or data available to the Commission for such purposes. The Commission shall take such steps as may be necessary to protect against unauthorized disclosure any such information or data which may be classified for security purposes.

62 Stat. 697.

Report to Congress.

Appropriation.

Termination.

(5) Service of an individual as a member of the Commission or employment of an individual by the Commission in a technical or professional field, on a part-time or full-time basis, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434 or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

(b) It shall be the duty of the Commission to prepare and present to the Congress, not later than June 15, 1957, the necessary recommendations which in its opinion will bring about the greatest practical use for industrial purposes of agricultural products not needed for human or animal consumption, including, but not limited to, use in the manufacture of rubber, industrial alcohol, motor fuels, plastics, and other products.

(c) There is hereby authorized to be appropriated such sum, not to exceed \$150,000, as may be necessary to enable the Commission to carry out its functions.

(d) Upon submission of the recommendations referred to in subsection (b), the Commission shall cease to exist.

DONATION TO PENAL AND CORRECTIONAL INSTITUTIONS

SEC. 210. Notwithstanding any other limitations as to the disposal of surplus commodities acquired through price support operations, the Commodity Credit Corporation is authorized on such terms and under such regulations as the Secretary of Agriculture may deem in the public interest, and upon application, to donate food commodities acquired through price support operations to Federal penal and correctional institutions, and to State correctional institutions for minors, other than those in which food service is provided for inmates on a fee, contract, or concession basis.

FEDERAL IRRIGATION, DRAINAGE, AND FLOOD-CONTROL PROJECTS

SEC. 211. (a) For a period of three years from the date of enactment of this Act, no agricultural commodity determined by the Secretary of Agriculture in accordance with subsection (c) to be in surplus supply shall receive any crop loans or Federal farm payments or benefits if grown on any newly irrigated or drained lands within any Federal irrigation or drainage project hereafter authorized unless such lands were used for the production of such commodity prior to the enactment of this Act.

(b) The Secretary of the Interior and the Secretary of Agriculture shall cause to be included, in all irrigation, drainage, or flood-control contracts entered into with respect to Federal irrigation, drainage, or flood-control projects hereafter authorized, such provisions as they may deem necessary to provide for the enforcement of the provisions of this section. For a period of three years from the date of enactment of this Act surplus crops grown on lands reclaimed by flood-control projects hereafter authorized and the lands so reclaimed shall be ineligible for any benefits under the soil-bank provisions of this Act and under price support legislation.

(c) On or before October 1 of each year, the Secretary of Agriculture shall determine and proclaim the agricultural commodities the supplies of which are in excess of estimated requirements for domestic consumption and export plus adequate reserves for emergencies. The commodities so proclaimed shall be considered to be in surplus supply for the purposes of this section during the succeeding crop year.

(d) For the purposes of this section the term "Federal irrigation or drainage project" means any irrigation or drainage project subject

"Federal irrigation or drainage project".

to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) in effect at the date of the adoption of this amendment and any irrigation or drainage project subject to the laws relating to irrigation and drainage administered by the Department of Agriculture or the Secretary of Agriculture.

43 USC 371 note.

PROCESSING OF DONATED FOOD COMMODITIES

SEC. 212. Section 416 of the Agricultural Act of 1949, as amended, is amended by inserting before the last sentence thereof a new sentence as follows: "In addition, in the case of food commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible."

68 Stat. 458.
7 USC 1431.TITLE III—MARKETING QUOTAS AND ACREAGE
ALLOTMENTSEXTENSION OF SURRENDER AND REAPPORTIONMENT PROVISIONS FOR WHEAT
ACREAGE ALLOTMENTS

SEC. 301. Section 334 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1955" wherever it appears in such subsection and inserting in lieu thereof "1955, 1956, or 1957".

68 Stat. 903.
7 USC 1334.

ACREAGE ALLOTMENTS FOR COTTON FOR 1957 AND 1958

SEC. 302. Section 342 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this section, the national marketing quota for cotton for 1957 and 1958 shall be not less than the number of bales required to provide a national acreage allotment for 1957 and 1958 equal to the national acreage allotment for 1956: *Provided*, That if the acreage allotment for any State for 1957 or 1958 is less than its allotment for the preceding year by more than 1 per centum, such State allotment shall be increased so that the reduction shall not exceed 1 per centum per annum, and the acreage required for such increase shall be in addition to the national acreage allotment for such year. Additional acreage apportioned to a State for 1957 or 1958 under the foregoing proviso shall not be taken into account in establishing future State allotments."

63 Stat. 670.
7 USC 1342.

COTTON—SMALL FARM ALLOTMENTS

SEC. 303. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That there is hereby established a national acreage reserve consisting of one hundred thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres), and the additional acreage so apportioned to the State shall be apportioned to the counties on the same basis and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall

63 Stat. 671.
7 USC 1344.

be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing proviso and under the last proviso in subsection (e) shall be determined as though allotments were first computed without regard to subsection (f) (1)."

63 Stat. 671.
7 USC 1344.

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved by the State committee under this subsection shall not be less than the smaller of (1) the remaining acreage so determined to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which the State committee is required to reserve under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages)."

63 Stat. 671.
7 USC 1344.

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) four acres; or (B) the highest number of acres planted to cotton in any year of such three-year period."

68 Stat. 904.
7 USC 1344.

(d) The first sentence of section 344 (f) (6) of such Act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

Effectivity of
section.

(e) The amendments made by this section shall be effective only with respect to 1957 and 1958 crops. For the 1956 crop, an acreage

in each State equal to the acreage allotted in such State which the Secretary determines will not be planted, placed in the acreage reserve or conservation reserve, or considered as planted under section 377 of the Agricultural Adjustment Act of 1938, as amended, may be apportioned by the Secretary among farms in such State having allotments of less than the smaller of the following: (1) four acres, or (2) the highest number of acres planted to cotton in any of the years 1953, 1954, and 1955.

Post, p. 206.

MINIMUM ACREAGE ALLOTMENTS FOR RICE

SEC. 304. Section 353 (c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

69 Stat. 46.
7 USC 1353.

"(5) Each of the State acreage allotments for 1956 heretofore proclaimed by the Secretary, after adding thereto any acreage apportioned to farms in the State from the reserve acreage set aside pursuant to subsection (a) of this section, shall be increased by such amount as may be necessary to provide such State with an allotment of not less than 85 per centum of its final allotment established for 1955. Any additional acreage required to provide such minimum allotment shall be additional to the national acreage allotment. In any State having county acreage allotments for 1956, the increase in the State allotment shall be apportioned among counties in the State on the same basis as the State allotment was heretofore apportioned among the counties, but without regard to adjustments for trends in acreage.

"(6) The national acreage allotments of rice for 1957 and 1958 shall be not less than the national acreage allotment for 1956, including any acreage allotted under paragraph (5) of this subsection, and such national allotments for 1957 and 1958 shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956."

INCREASE IN PEANUT MARKETING PENALTIES

SEC. 305. Effective beginning with the 1956 crop, section 359 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the first sentence thereof to read as follows: "The marketing of any peanuts in excess of the marketing quota for the farm on which such peanuts are produced, or the marketing of peanuts from any farm for which no acreage allotment was determined, shall be subject to a penalty at a rate equal to 75 per centum of the support price for peanuts for the marketing year (August 1–July 31)."

61 Stat. 721.
7 USC 1359.

COLLECTION OF PEANUT MARKETING PENALTIES

SEC. 306. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding two new subsections as follows:

55 Stat. 90.
7 USC 1359.

"(d) The person liable for payment or collection of the penalty provided by this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(e) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to marketing quotas in which the person liable for payment of the penalty has an interest shall be in effect in favor of the United States."

PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

52 Stat. 66.
7 USC 1376.

SEC. 307. The Agricultural Adjustment Act of 1938, as amended, is amended by inserting after section 376 a new section as follows:

"PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

"SEC. 377. In any case in which, during any year within the period 1956 to 1959, inclusive, for which acreage planted to such commodity on any farm is less than the acreage allotment for such farm, the entire acreage allotment for such farm shall be considered for purposes of future State, county, and farm acreage allotments to have been planted to such commodity in such year, but only if the owner or operator of such farm notifies the county committee prior to the sixtieth day preceding the beginning of the marketing year for such commodity of his desire to preserve such allotment. This section shall not be applicable in any case in which the amount of the commodity required to be stored to postpone or avoid payment of penalty has been reduced because the allotment was not fully planted. Nothing herein shall be construed to permit the allotment to any other farm of the acreage with respect to which notice is given under this section."

ACREAGE REQUIREMENTS FOR PRICE SUPPORT ON CORN AND OTHER
FEED GRAINS

SEC. 308. (a) Notwithstanding any other provision of law, whenever base acreages are in effect for corn, the Secretary shall require, as a condition of eligibility for price support on corn, that the producer (1) devote an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 per centum of such producer's farm base acreage for corn, and (2) not exceed such farm base acreage for corn: *Provided*, That price support may be made available to any producer who does not meet the foregoing requirements at such level, not in excess of the level of price support to producers who meet such requirements, as the Secretary determines will facilitate the effective operation of the price support program. Corn acreage allotments shall not be effective for the 1956 crop.

(b) Not later than December 15, 1956, the Secretary shall conduct a referendum of producers of corn in 1956 in the commercial corn-producing area to determine whether such producers favor a price-support program as provided in subsection (c) of this section for the 1957 and subsequent crops in lieu of acreage allotments as provided in the Agricultural Adjustment Act of 1938, as amended, and price support as provided in section 101 of the Agricultural Act of 1949, as amended.

(c) Notwithstanding any other provision of law, if two-thirds or more of the producers voting in the referendum conducted pursuant to subsection (b) hereof favor a price-support program as provided in this subsection (c), no acreage allotment of corn shall be established for the commercial corn-producing area for any county, or for any farm, with respect to the 1957 and subsequent crops, and price support made available for such crops by Commodity Credit Corporation shall be at such level as the Secretary determines will assist producers in marketing corn in the normal channels of trade but not encourage the uneconomic production of corn.

(d) Notwithstanding any other provision of law, (1) the level of price support for the 1956 crop of grain sorghums, barley, rye, and oats, respectively, shall be 76 per centum of the parity price for the

52 Stat. 31.
7 USC 1281.
63 Stat. 1051.
7 USC 1441.

commodity as of May 1, 1956, (2) the level of price support for corn produced outside the commercial corn-producing area, for any crop for which base acreages are in effect (except as provided in (3) below), shall be 82½ per centum of the level of price support for corn in the commercial corn-producing area to producers complying with acreage limitations, and (3) if price support is made available for the 1957 crop of corn in the commercial corn-producing area to producers not complying with acreage limitations, price support shall be made available for the 1957 crop of grain sorghums, barley, rye, oats, and corn produced outside the commercial corn-producing area, respectively, at a level, not less than 70 per centum of the parity price as of the beginning of the marketing year, determined by the Secretary to be fair and reasonable in relation to the level at which price support is made available for corn in the commercial corn-producing area to producers not complying with acreage limitations, taking into consideration the normal price relationships between such commodity and corn in the commercial area, the feed value of such commodity in relation to corn, the supply of such commodity in relation to the demand therefor, and the ability to dispose of stocks of such commodity acquired through price support programs.

TITLE IV—FORESTRY PROVISIONS

ASSISTANCE TO STATES FOR TREE PLANTING AND REFORESTATION

SEC. 401. (a) The Congress hereby finds and declares that building up and maintaining a level of timber growing stocks adequate to meet the Nation's domestic needs for a dependable future supply of industrial wood is essential to the public welfare and security; that assisting in improving and protecting the more than fifty million acres of idle non-Federal and Federal lands for this purpose would not only add to the economic strength of the Nation, but also bring increased public benefits from other values associated with forest cover; and that it is the policy of the Congress that the Secretary of Agriculture in order to encourage, promote, and assure fully adequate future resources of readily available timber should assist the States in undertaking needed programs of tree planting.

(b) Any State forester or equivalent State official may submit to the Secretary of Agriculture a plan for forest land tree planting and reforestation for the purpose of effecting the policy hereinbefore stated.

(c) When the Secretary of Agriculture has approved the plan, he is hereby authorized and directed to assist the State in carrying out such plan, which assistance may include giving of advice and technical assistance and furnishing financial contributions: *Provided*, That, for the non-Federal forest land tree planting and reforestation, the financial contribution expended by the Federal Government during any fiscal year to assist the State to carry out the plan shall not exceed the amount expended by the State for the same purposes during the same fiscal year, and the Secretary of Agriculture is authorized to make financial contributions on the certificate of the State official in charge of the administration of the plan as to the amount of expenditures made by the State.

(d) In any plan that coordinates forest lands under the jurisdiction of any Federal agency other than the Department of Agriculture, the Secretary of Agriculture shall obtain the cooperation and assistance of the Federal agency having jurisdiction and the appropriate State forester in the approval and carrying out of the plan.

State plans.

Rules and regu-
lations.

Appropriations.

(e) The Secretary of Agriculture may prescribe such rules and regulations as may be appropriate to carry out the purposes of this section.

(f) There are hereby authorized to be appropriated such sums as may be necessary to carry out the objects of this section, such sums to remain available until expended.

STUDY OF PRICE TRENDS FOR FOREST PRODUCTS

SEC. 402. The Secretary of Agriculture shall make a study of price trends and relationships for basic forest products such as sawlogs and pulpwood and within one year from the date of enactment of this Act shall submit a report thereon to the Congress.

TITLE V—CERTIFICATE PROGRAM FOR RICE

52 Stat. 38.
7 USC 1301 et.
seq.

SEC. 501. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by changing the designation thereof to read as follows: "TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES"; (2) by changing the designation of subtitle D thereof to read as follows: "SUBTITLE E—MISCELLANEOUS PROVISIONS AND APPROPRIATIONS"; and (3) by inserting after subtitle C a new subtitle D, as follows:

"SUBTITLE D—RICE CERTIFICATES

"LEGISLATIVE FINDINGS

"SEC. 380a. The movement of rice from producer to consumer is preponderantly in interstate and foreign commerce, and the small quantity of rice which does not move in interstate or foreign commerce affects such commerce. In order to provide an adequate and balanced flow of rice in interstate and foreign commerce and to assure consumers an adequate and steady supply of rice at fair prices it is necessary to regulate all commerce in rice in the manner provided in this subtitle. These findings are supplemental to and in addition to the findings contained in section 351 of this Act.

52 Stat. 60.
7 USC 1351.

"EFFECTIVE DATE AND TERMINATION

"SEC. 380b. Sections 380c through 380g (c) shall be effective beginning with the first crop of rice, subsequent to the 1956 crop and prior to the 1959 crop, for which the Secretary determines and proclaims that the initiation of a program under this subtitle is administratively feasible and in the best interests of rice producers and the United States. Unless extended by law, the provisions of this subtitle shall not apply to rice of any crop following the second crop for which a program is in effect under sections 380c and 380g (c).

"RICE PRIMARY MARKET QUOTA

"SEC. 380c. Not later than December 31 of each year, the Secretary shall determine and proclaim the primary market quota for rice for the marketing year beginning in the next calendar year. The primary market quota shall be the number of hundredweights of rice (on a rough rice basis) which the Secretary determines will be consumed in the United States (including its Territories and possessions and the Commonwealth of Puerto Rico) or exported to Cuba, during such marketing year. In making this determination the Secretary shall consider the historical consumption in these markets of rice produced

in the United States and any expected enlargement in such consumption predicated upon population trends, increased per capita consumption, and other relevant factors.

“APPORTIONMENT OF PRIMARY MARKET QUOTA

“SEC. 380d. (a) The primary market quota for rice shall be apportioned by the Secretary among the several States on the basis of the average yield per acre of rice in each State during the three years immediately preceding the year for which the quota is proclaimed (or in the case of the apportionment for 1957, during the two years preceding such year) multiplied by the acreage allotment of such State for such year.

“(b) The State primary market quota shall be apportioned by the Secretary among farms on the basis of the acreage allotment established for each farm multiplied by the normal yield per acre for the farm.

“REVIEW OF PRIMARY MARKET QUOTA

“SEC. 380e. Notice of the primary market quota shall be mailed to the operator of the farm to which such quota applies. The farm operator may have such quota reviewed in accordance with the provisions of sections 363 to 368, inclusive, of this Act.

52 Stat. 63.
7 USC 1363-
1368.

“PRICE SUPPORT

“SEC 380f. (a) Notwithstanding any other provision of law, the Commodity Credit Corporation shall make price support available to cooperators through loans, purchases, or other operations on any crop of rice for which a program is in effect under sections 380c through 380g (c) at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not discourage or prevent the exportation of rice produced in the United States.

“(b) Section 101 of the Agricultural Act of 1949, as amended, shall not apply to price support made available on rice of any crop to which this section is applicable, but all the other provisions of such Act, to the extent not inconsistent with this subtitle, shall apply to price support operations carried out under this section.

63 Stat. 1051.
7 USC 1441.

“CERTIFICATES

“SEC. 380g. (a) The Secretary of Agriculture shall for each marketing year issue certificates to cooperators for a quantity of rice equal to the primary marketing quota for the farm for such marketing year, but not exceeding the normal yield of the acreage planted to rice on the farm. The certificate shall have the value specified in subsection (e) of this section.

“(b) The landlord, tenants, and sharecroppers on the farm shall share in the certificates issued with respect to the farm in the same proportion as they share in the rice produced on the farm or the proceeds therefrom.

“(c) The provisions of section 385 of this Act shall be applicable to certificates issued to producers under this section.

52 Stat. 68.
7 USC 1385.

“(d) The Commodity Credit Corporation shall issue and sell certificates to persons engaged in the processing of rough rice or the importing of processed rice. Each such certificate shall be sold for an amount equal to the value thereof, as specified in subsection (e) of this section.

"(e) The value of each certificate issued under this section shall be equal to the difference between 90 per centum of the parity price of rice as of the beginning of the marketing year for which the certificate is issued and the level of price support for rice which is in effect during such marketing year, calculated to the nearest cent, multiplied by the quantity of rice for which the certificate is issued. Any certificates not used to cover the processing of rice or the importation of processed rice pursuant to sections 380k and 380l of this Act shall be redeemed by the Commodity Credit Corporation at the value thereof.

"INVENTORY ADJUSTMENT PAYMENTS

"SEC. 380h. To facilitate the transition from the price support program currently in effect to the program provided for in this subtitle, the Commodity Credit Corporation shall make inventory adjustment payments to all persons owning rough rice located in the continental United States as of the beginning of the marketing year for the first crop of rice for which a program is in effect under sections 380c through 380g (c): *Provided, however,* That such payments shall not be made with respect to rice of such crop, imported rice, or rice acquired from Commodity Credit Corporation. The amount of such payment per hundredweight shall be the amount by which the estimated average price paid producers during the marketing year for the preceding crop exceeds the estimated average support price for the first crop for which a program is made effective. There are hereby authorized to be appropriated such sums as may be necessary to make payment to Commodity Credit Corporation for expenditures pursuant to this section.

"RICE SET-ASIDE

"SEC. 380i. All rough and processed rice in the inventories of Commodity Credit Corporation as of sixty days after the beginning of the marketing year for the first crop for which a program is in effect under sections 380c through 380g (c), not exceeding twenty million hundredweight of rough rice or its equivalent in processed rice may be transferred to and be made a part of the commodity set-aside of rice established pursuant to section 101 of the Agricultural Act of 1954.

"EXEMPTIONS

"SEC. 380j. The provisions of this subtitle shall not apply to non-irrigated rice produced on any farm on which the acreage planted to nonirrigated rice does not exceed three acres, and the provisions of sections 380c through 380g (c) shall not apply to rice produced in Puerto Rico or Hawaii.

"PROCESSING RESTRICTIONS

"SEC. 380k. (a) Each person who on or after the beginning of the marketing year for the first crop for which a program is in effect under sections 380c through 380g (c), engages in the processing of rough rice in the United States shall, upon processing any quantity of rough rice, acquire certificates issued under section 380g of this Act in an amount sufficient to cover such quantity of rough rice.

"(b) The requirements of subsection (a) of this section shall not be applicable to the processing in Puerto Rico or Hawaii of rough rice grown in Puerto Rico or Hawaii, respectively.

"(c) Upon the exportation from the United States to any country other than Cuba of any processed rice with respect to which certificates were acquired in accordance with the requirements of subsection (a) of this section or section 380l, the Commodity Credit Corporation shall pay to the exporter an amount equal to the value of the certificates for the rough rice equivalent of such processed rice.

"IMPORT RESTRICTIONS

"SEC. 380l. Each person who, on or after the beginning of the marketing year for the first crop for which a program is in effect under sections 380c through 380g (c), imports processed rice into the United States shall acquire certificates issued under section 380g of this Act covering the rough rice equivalent of such processed rice.

"REGULATIONS

"SEC. 380m. The Secretary shall prescribe regulations governing the issuance, redemption, acquisition, use, transfer, and disposition of certificates hereunder.

"CIVIL PENALTIES

"SEC. 380n. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of sections 380k or 380l of this Act, or regulations prescribed by the Secretary for the enforcement of such provisions, shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"REPORTS AND RECORDS

"SEC. 380o. (a) The provisions of section 373 (a) of this Act shall apply to all persons, except rice producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

52 Stat. 65.
7 USC 1373.

"(b) The provisions of section 373 (b) of the Act shall apply to all rice farmers who are subject to the provisions of this subtitle.

"DEFINITIONS

"SEC. 380p. For the purposes of this subtitle—

"(a) 'cooperator' shall have the same meaning as under the Agricultural Act of 1949, as amended.

"(b) 'processing of rough rice' means subjecting rough rice for the first time to any process which removes the husk or hull from the rice and results in the production of processed rice.

"(c) 'processed rice' means any rice from which the husk or hull has been removed and includes, but is not limited to—

- "(1) whole grain rice,
- "(2) second head milled rice,
- "(3) screenings milled rice,
- "(4) brewers milled rice,
- "(5) undermilled rice or unpolished rice,
- "(6) brown rice,
- "(7) converted rice, malekized rice or parboiled rice, and
- "(8) vitaminized rice or enriched rice.

63 Stat. 1055.
7 USC 1428.

"(d) 'United States' means the several States, the Territories of Hawaii and Alaska, the District of Columbia, and the Commonwealth of Puerto Rico.

"(e) 'exporter' means the consignor named in the bill of lading under which the processed rice is exported: *Provided, however*, That any other person may be considered to be the exporter if the consignor named in the bill of lading waives his claim in favor of such other person.

"(f) 'rough rice equivalent' means the quantity of rough rice normally used (as determined by the Secretary of Agriculture) in the production of a particular quantity of processed rice, but shall not be more than one hundred pounds of rough rice for each sixty-eight pounds of processed rice.

"(g) 'import' means to enter, or withdraw from warehouse, for consumption."

NORMAL YIELD FOR RICE

52 Stat. 41.
7 USC 1301.

SEC. 502. Paragraph (13) of section 301 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by (1) redesignating subparagraph (E) as subparagraph (G); and (2) striking out subparagraph (D) and inserting in lieu thereof the following:

"(D) 'Normal yield' for any county, in the case of rice, shall be the average yield per acre of rice for the county during the five calendar years immediately preceding the year for which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, taking into consideration the yields obtained in surrounding counties during such year and the yield in years for which data are available, shall be used as the actual yield for such year.

"(E) 'Normal yield' for any farm, in the case of rice, shall be the average yield per acre of rice for the farm during the five calendar years immediately preceding the year for which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the yields obtained on adjacent farms during such year and the yield in years for which data are available.

"(F) In applying subparagraphs (D) and (E), if on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any year of such five-year period is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre. If, on account of abnormally favorable weather conditions, the yield for any year of such five-year period is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre."

TITLE VI—MISCELLANEOUS

PRICE SUPPORTS—COTTONSEED AND SOYBEANS

7 USC 1446.

SEC. 601. (a) Title II of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section as follows:

"SEC. 203. Whenever the price of either cottonseed or soybeans is supported under this Act, the price of the other shall be supported at

such level as the Secretary determines will cause them to compete on equal terms on the market."

(b) The amendment made by this section shall take effect with the 1956 crop.

TRANSITIONAL PARITY FOR BASIC COMMODITIES FROZEN DURING 1957

SEC. 602. Section 301 (a) (1) (E) (ii) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301 (a) (1) (E) (ii)) is amended by inserting after "full calendar years" the following: "(not counting 1956 in the case of basic agricultural commodities)". The Secretary shall make a thorough study of possible methods of improving the parity formula and report thereon, with specific recommendations, including drafts of necessary legislation to carry out such recommendations, to Congress not later than January 31, 1957.

Approved May 28, 1956.

Report to Congress.

Public Law 541

CHAPTER 328

AN ACT

May 28, 1956
[S. 3237]

To provide for continuance of life insurance coverage under the Federal Employees' Group Life Insurance Act of 1954, as amended, in the case of employees receiving benefits under the Federal Employees' Compensation Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Federal Employees' Group Life Insurance Act of 1954, as amended, is amended to read as follows:

Federal employees' insurance.
68 Stat. 739.
5 USC 2095.
Termination, etc.

"(a) Each policy purchased under this Act shall contain a provision, in terms approved by the Commission, to the effect that any insurance thereunder on any employee shall cease upon his separation from the service or twelve months after discontinuance of his salary payments, whichever first occurs, subject to a provision which shall be contained in the policy for temporary extension of coverage and for conversion to an individual policy of life insurance under conditions approved by the Commission.

"(b) If upon such date as the insurance would otherwise cease the employee retires on an immediate annuity and (1) his retirement is for disability or (2) he has completed fifteen years of creditable service, as determined by the Commission, his life insurance only may, under conditions determined by the Commission, be continued without cost to him in the amounts for which he would have been insured from time to time had his salary payments continued at the same rate as on the date of cessation. Periods of honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States shall be credited toward the required fifteen years provided the employee has completed at least five years of civilian service.

"(c) If upon such date as the insurance would otherwise cease the employee is receiving benefits under the Federal Employees' Compensation Act because of disease or injury to himself, his life insurance may, as provided in subsection (b), be continued during the period he is in receipt of such benefits and held by the United States Department of Labor to be unable to return to duty."

SEC. 2. The amendment made by this Act shall become effective as of August 29, 1954.

Effective date.

Approved May 28, 1956.